



THE JOINT STAFF

THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

SPECIAL STATE-DEFENSE STUDY GROUP

25 April 1967

FROM:

TO:

25X1

Subject: Economic Trends and Prospects

The Subcommittee of the Special State-Defense Study Group on economic trends and prospects offers some further elucidation on the nature of information that would be helpful to the task force on the assessment of the economic posture of this area under study.

Economic Trends and Prospects

1. What outside contributions to economic development and growth are anticipated as compared with present levels (loans, grants, technical assistance, investments, etc.)? The purpose of seeking this information is to find any large changes that are expected to occur in a country or one of the regions being studied.

Include in this coverage sufficient information on the balance of payments so it can be determined if this will be a major problem. In problem cases information on trends is desired.

2. Are major changes in the pattern of economic activities in the area expected? Examples could be significantly increased industrialization, new undertakings coming out of technological advances. Also what possibilities exist for development of natural resources.

3. What is the anticipated general economic momentum of the entire area and of the three regions (Middle East, Horn, Maghreb)? For this part only a general picture is needed such as percent change in GNP expected, changes in per capita income, etc.

JCS Declassification/Release Instructions on File

4. Cover the availability and utilization of human resources. Are there any important trends evident? Indicate significant changes expected in rates of population growth and how they will affect the economy. Include significant population shifts within the area to be brought about by increased demands for human skills in rapidly developing countries.

5. What changes in established patterns of trade are anticipated? Emphasize possible trade changes with the USSR, Communist China, and the U.S. Any unusual changes among countries within the area would also be important.

6. What are the current arrangements for regional economic cooperation and how effective are they? Examples are CENTO RCD, Maghreb economic cooperation, multi-national water projects; Syria-Iraqi collaboration in development of Deir ez-Zor and Syrian Desert; Iraqi water for Kuwait.



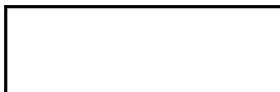
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SECRET

SSDSG-008

25 April 1967

MEMORANDUM FOR:



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SUBJECT : Requirements from F. G. Siscoe,
Chairman, Sub-Committee on Soviet Role

1. Mr. Siscoe has asked me to explore with you the availability of documents pertinent to activities of Soviet and Eastern European countries, directed towards the area.

2. The range of his interests is given in considerable detail in the attached memorandum.



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F. G. SISCOE
25 April 1967

Materials Needed for SSN Study

Following requirements refer to activities of the Soviet Union and Eastern European countries, where applicable (including East Germany), directed toward the area under study.

1. Review of arms aid by receiving country. Types and descriptions. Costs and terms. Military missions and defense agreements. Status of deliveries. Current negotiations.
2. Review of economic assistance by receiving country. Types of aid. Terms. Size of missions and activities. Agreements and status of drawdowns. Current offers.
3. Trade patterns and commercial arrangements. Main products exchanged. Role of trade as economic weapon. Terms of trade and agreements. Trade missions and/or resident trade representatives. Role of ~~at~~roplot.
4. Cultural, educational and scientific relations and agreements. Pattern of exchanges and use to extend influence. Students - numbers sent to USSR and Eastern Europe and methods of handling.
5. Visits of leading officials in both directions, including ceremonial, state, economic and military visits.
6. Activities in naval and shipping field (especially Soviet). Ship construction. Assistance in construction of fishing ports and naval bases. Special or privileged naval and shipping facilities in established ports.

TRANSMITTAL SLIP		DATE <i>2 April</i>
TO: <i>Ch D/G 22-3</i>		
ROOM NO.	BUILDING	
REMARKS:		
<div data-bbox="527 724 743 808" style="border: 1px solid black; width: 133px; height: 40px; margin-bottom: 10px;"></div> <div data-bbox="602 758 1089 1062" style="text-align: center;"> <p>The latest word from the august Study Group</p> </div> <div data-bbox="865 1037 1081 1167" style="border: 1px solid black; width: 133px; height: 62px; margin-top: 10px;"></div>		
FROM:		
ROOM NO.	BUILDING	EXTENSION

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FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

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Please inform [redacted]
 as to which of these are
 feasible to do, so he
 can inform Jack Smith,
 who plans to get together
 with Ambassador Holmes.

Confidential

ECONOMIC TRENDS AND PROSPECTS - Paragraph 3 of Planning Memorandum 2

Suggested by not all inclusive ~~conditions~~ points that might be considered
 under this paragraph:

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1. Anticipated outside contributions to economic development and growth (loans, grants, ~~technical~~ technical assistance, investments, etc), as compared with present levels.
2. Any significant changes in the pattern of economic activities significantly in the area (such as/increased industrialization or new undertakings coming out of technological advances).
3. Anticipated general economic momentum of entire area and of the three regions (Middle East, Horn, Maghreb).
4. Possible discovery of significant new natural resources.
5. Availability and utilization of human resources.
6. Utilization of oil revenues - any possible further sharing of oil revenues for development of ~~and~~ other countries in area.
7. Anticipated burdens of foreign debt servicing upon the economies.
8. Anticipated changes in established patterns of trade, with emphasis upon possible increased trade with the USSR.
9. Anticipated allocation of available resources between the economic and military sectors.
10. Any developments in terms of regional economic cooperation, such as Maghrebian economic cooperation, the COMECON.
11. Any significant changes in rates of population growth.
12. Any other significant economic factors to be considered by policy makers.

10 April 1967
2nd DraftI. Economy and Technology

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1. The review of the impact of technological development within the area is intended to focus upon programs on technology through 1977 that might alter significantly, perhaps dramatically, the living standards of the area.

2. A significant amelioration would raise standards of education, political awareness, better family life, opportunities to accumulate, lessen vulnerability to anti-Western influences, perhaps develop better appreciation of the Western way of life.

II. Water Development

1. Easily the most important factor in the development of an area is water. The review should include water resources of the area - Rivers, Wells, Conservation, Irrigation Systems (existing and potential).

2. Desalinization should be examined as means of reclamation of arid lands. In what countries would desalinization have advantages should the cost be brought down to make desalinization economically feasible? What processes and investment would be required? What is the potential in increased production?

III. Power Resources

Present sources of power are derived from plants generated by either water or oil. What sources would be harnessed to increase power volume over the next decade? What is the potential of nuclear power, especially were more than one country to participate in the project?

IV. Agronomy

Important to review soil of the area, grazing lands and forests. Application of proven scientific methods to increase and improve agricultural production. Methods of fertilization. Soil rotation. Extensive use of agricultural machinery. Adaptation of modern techniques to small scale farming.

V. The dependence of the US upon certain communication/electronic facilities in the area brings with it certain commitments both political and ⁱⁿ the area of security that could limit the options available to policy makers. Can we do space, missile tracking from US Continental or Territorial holdings? From the British Indian Ocean Territory? From Space? From at sea? Can sensitive intelligence be obtained in comparable ways?